

CONSULTANT AGREEMENT

THIS AGREEMENT is entered into this ____ day of _____, 20____,
by and between the City of Lincoln, Nebraska, a municipal corporation, hereinafter referred to as
“City” and SRF Consulting Group, Inc.

Attn: Joseph Kern, Principal
One Carlson Parkway North, Suite 150
Minneapolis, MN 55447-4443

hereinafter referred to as “Consultant.”

RECITALS

A.

The City proposes to engage Consultant in accordance with the terms and conditions set forth herein to render professional assistance in
Financial and Operational Analysis of StarTran.

(“Consultant Services”).

B.

Consultant possesses certain skills, experience, education and competency to perform the Consultant Services on behalf of the City, and the City desires to engage Consultant for such Consultant Services on the terms herein provided.

C.

Consultant hereby represents that Consultant is willing and able to perform the Consultant Services in accordance with the proposed Consultant Services submitted with this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the above Recitals and the mutual obligations of the parties hereto, the parties do agree as follows:

I.

ADMINISTRATOR OF AGREEMENT

Eugene Carroll, of the City's Council Department,
shall be the City's representative for the purposes of administering this Agreement and shall have
authority on behalf of the City to give approvals under this Agreement. Joseph Kern,
of the Consultant, will supervise all services and be in charge of performance of the Consultant
Services as set forth in this Agreement.

II.

SCOPE OF SERVICES

Consultant agrees to undertake, perform and complete in an expeditious, satisfactory and
professional manner the services set forth in Attachment A on behalf of the City. In the event there
is a conflict between the terms of Attachment A and this Agreement, the terms of this Agreement
shall control.

III.

TERM OF AGREEMENT

The term of this Agreement shall commence upon execution of this Agreement by both
parties and shall continue until completion of all obligations of this agreement, but in no event
longer than one year.

IV.

COMPENSATION

The City agrees to pay Consultant for the services set forth in Attachment "A" a sum not
to exceed one hundred four thousand nine hundred eighty four Dollars (\$ 104,984.00). Progress
payments based upon a percentage of the Consultant Services performed as provided in Attachment
"A" shall be payable ☒ monthly / ☐ quarterly upon receipt of supporting documentation

acceptable to the City for the work completed. All approved payments will be made to the Consultant.

Failure of the City to accept the recommendations or work of the Consultant on the basis of differences of professional opinion shall not be the basis for rejection of the work performed by the Consultant or for nonpayment of the Consultant.

V.

SERVICES TO BE CONFIDENTIAL

All services, including reports, opinions and information to be furnished under this Agreement shall be considered confidential and shall not be divulged, in whole or in part, to any person other than to duly authorized representatives of the City, without the prior written approval of the City or by order of a court of competent jurisdiction. The provisions in this section shall survive any termination of this Agreement.

VI.

NON-RAIDING CLAUSE

Consultant shall not engage the services of any person or persons presently in the employ of the City for work covered by this Agreement without the written consent of the City.

VII.

TERMINATION OF AGREEMENT

A. This Agreement may be terminated by the Consultant if the City fails to adequately perform any material obligation required by this Agreement ("Default"). Termination rights under this paragraph may be exercised only if the City fails to cure a Default within ten (10) calendar days after receiving written notice from the Consultant specifying the nature of the Default.

B. The City may terminate this Agreement, in whole or part, for any reason for the City's own convenience upon at least ten days written notice to the Consultant.

If the Agreement is terminated by either the City or Consultant as provided in A or B above, Consultant shall be paid for all services performed, and reimbursable expenses incurred, not to exceed the above-mentioned Agreement amounts, up until the date of termination.

Consultant hereby expressly waives any and all claims for damages or compensation arising under this Agreement except as set forth in this paragraph in the event of termination.

Further, Consultant agrees that, upon termination as provided in this paragraph, it shall not be employed by any developer or other party who is or may be interested in the work effort as defined in Article II, or interested in the decisional process relating to the application of such findings as may result from the tasks performed as defined in Article II for a period of one (1) year after such termination, without prior approval of the City.

VIII.

ADDITIONAL SERVICES

The City may from time to time, require additional services from the Consultant including but not limited to, special reports, graphics, attendance at meetings or presentations. Such additional services, including the amount of compensation for such additional services, which are mutually agreed upon by and between the City and Consultant shall be effective when incorporated in written amendments to this Agreement.

IX.

FAIR EMPLOYMENT

In connection with the performance of work under this Agreement, Consultant agrees that it shall not discriminate against any employee or applicant for employment with respect to compensation, terms, advancement potential, conditions, or privileges of employment, because of such person's race, color, religion, sex, disability, national origin, ancestry, age, or marital status in accordance with the requirements of Lincoln Municipal Code Chapter 11.08 and *Neb. Rev. Stat.* § 48-1122, as amended.

X.

FAIR LABOR STANDARDS

The Consultant shall maintain Fair Labor Standards in the performance of this Agreement as required by Chapter 73, Nebraska Revised Statutes, as amended.

XI.

ASSIGNABILITY

The Consultant shall not assign any interest in this Agreement, except for the work of the Subconsultants identified in this Agreement, delegate any duties or work required under this Agreement, or transfer any interest in the same (whether by assignment or novation), without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Consultant from City under this Agreement may be assigned without such approval, but notice of any such assignment shall be furnished promptly to the City.

XII.

INTEREST OF CONSULTANT

Consultant covenants that Consultant presently has no interest, including but not limited to, other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed or retained by Consultant under this Agreement.

XIII.

**OWNERSHIP, PUBLICATION, REPRODUCTION
AND USE OF MATERIAL**

Consultant agrees to and hereby transfers all rights, including those of a property or copyright nature, in any reports, studies, information, data, digital files, imagery, metadata, maps, statistics, forms and any other works or materials produced under the terms of this Agreement. No

such work or materials produced, in whole or in part, under this Agreement, shall be subject to private use or copyright by Consultant without the express written consent of City.

City shall have the unrestricted rights of ownership of such works or materials and may freely copy, reproduce, broadcast, or otherwise utilize such works or materials as the City deems appropriate. The City shall also retain all such rights for any derivative works based on such works or materials.

XIV.

COPYRIGHTS, ROYALTIES & PATENTS

Without exception, Consultant represents the consideration for this Agreement includes Consultant's payment for any and all royalties or costs arising from patents, trademarks, copyrights, and other similar intangible rights in any way involved with or related to this Agreement. Further, Consultant shall pay all related royalties, license fees, or other similar fees for any such intangible rights. Consultant shall defend suits or claims for infringement of any patent, copyright, trademark, or other intangible rights that Consultant has used in the course of performing this Agreement.

XV.

COPYRIGHT; CONSULTANT'S WARRANTY

A. Consultant represents that all materials, processes, or other protected rights to be used in the Consultant Services have been duly licensed or authorized by the appropriate parties for such use.

B. Consultant agrees to furnish the City upon demand written documentation of such license or authorization. If unable to do so, Consultant agrees that the City may withhold a reasonable amount from Consultant's compensation herein to defray any associated costs to secure such license or authorization or defend any infringement claim.

XVI.
INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall indemnify and hold harmless City, its elected officials, officers, agents, and employees, as indemnitees, from and against all claims, damages, losses, and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of this Agreement, that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, that is caused in whole or in part by Consultant or anyone directly or indirectly employed by Consultant or anyone for whose acts any of the them may be liable. This section will not require Consultant to indemnify or hold harmless the City for any losses, claims, damages, and expenses arising out of or resulting from the negligence of the City. The City does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law with regard to any action based on this Agreement. The provisions of this section survive any termination of this Agreement.

XVII.
INSURANCE

A. Insurance Coverage. At all times during the term of this Agreement, the Consultant shall maintain insurance coverage as follows:

1. Workers' Compensation; Employer's Liability. Such insurance coverage as will fully protect both Consultant and City from any and all claims under any Worker's Compensation Act or Employer's Liability Law. Consultant shall exonerate, indemnify and hold harmless City from and against, and shall assume full responsibility for payment of all federal, state, and local taxes and contributions imposed or required under unemployment insurance, social security and income tax laws with respect to Consultant or any such employees of Consultant as may be engaged

in the performance of this Agreement. The minimum acceptable limits of liability to be provided by such Workers' Compensation policy shall be as follows:

Coverage	Listing	Min. Amt	Notes
Worker's Comp.			
	State	Statutory	
	Applicable Federal	Statutory	
Employer's Liability			
	Bodily Injury by accident	\$500,000	each accident
	Bodily Injury by disease	\$500,000	each employee
	Bodily Injury	\$500,000	policy limit

2. Automobile Liability Insurance. For all of the Consultant's automobiles, including owned, hired and non-owned automobiles, Consultant shall keep in full force and effect such Automobile Liability Insurance as shall protect it against claims for damages resulting from bodily injury, including wrongful death, and property damage which may arise from the operations of any owned, hired, or non-owned automobiles used by or for it in an capacity in connection with the carrying out of this contract. The minimum acceptable limits of liability to be provided by a such Automobile Liability Insurance shall be as follows:

- I. Bodily Injury Limit \$500,000 Each Person/\$1,000,000 Each Occurrence
- II. Property Damage Limit \$500,000 Each Occurrence
- III. Combined Single Limit \$1,000,000 Each Occurrence

3. General Liability Insurance. General Liability Insurance, naming and protecting Consultant and the City of Lincoln, its officials, employees and volunteers as insured, against claims for damages resulting from (a) all acts or omissions, (b) bodily injury, including wrongful death, (c) personal injury liability, and (d) property damage which may arise from operations under this Agreement whether such operations by Consultant and Consultant's employees, students, or those directly or indirectly employed by Consultant. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

- i. All Acts or Omissions - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
- ii. Bodily Injury/Property Damage - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
- iii. Personal Injury Damage - \$1,000,000 each Occurrence; and
- iv. Contractual Liability - \$1,000,000 each Occurrence; and
- v. Products Liability and Completed Operations - \$1,000,000 each Occurrence; and
- vi. Medical Expenses (any one person) - \$10,000.

If the Consultant does not possess General Liability Insurance in the amounts as provided in this Agreement, the Consultant may use Excess or Umbrella Insurance to supplement the General Liability Insurance to reach the minimum acceptable limits of liability as provided in this Agreement.

4. Professional Liability Insurance. Professional Liability Insurance, naming and protecting Consultant against claims for damages resulting from the Consultant's errors, omissions, or negligent acts. Such policy shall contain a limit of liability not less than two million dollars (\$2,000,000) per claim and aggregate.

B. Minimum Scope of Insurance. All liability insurance policies (except Professional Liability) shall be written on an "occurrence" basis only, except for professional liability insurance which may be based upon a "claims-made" basis. All insurance coverages are to be placed with insurers authorized to do business in the State of Nebraska and must be placed with an insurer that has an A.M. Best's Rating of not less than A:VIII unless specific approval has been granted by the City.

C. Deductibles. All deductibles on any policy shall be the responsibility of the Consultant and shall be disclosed to the City at the time the evidence of insurance is provided.

D. Certificate of Insurance. All Certificates of Insurance shall be filed with the City of Lincoln on the standard ACORD CERTIFICATE OF INSURANCE form showing the specific limits of insurance coverage required by the preceding sections, and showing the City of Lincoln is an additional insured for General Liability Insurance and Excess or Umbrella Insurance if used to supplement the General Liability Insurance. The Consultant may present evidence of equivalent self-insurance in place of a certificate of insurance for General Liability Insurance. The City shall be treated as an additional insured as if the Consultant possessed General Liability Insurance. Such certificate shall specifically state that insurance policies are to be endorsed to require the insurer to provide the City of Lincoln thirty days notice of reduction in amount, increase in deductibles, cancellation, or non-renewal of insurance coverage.

VIII. NOTICE

Any notice or notices required or permitted to be given pursuant to this Agreement may be personally served on the other party by the party giving such notice, or may be served by fax, commercial carrier or certified mail, postage prepaid, return receipt requested to the following addresses:

City of Lincoln Nebraska
_____ Department
Attention: _____

Lincoln NE 68508

SRF Consulting Group, Inc.
Attn: Joseph Kern, Principal
One Carlson Parkway North, Suite 150
Minneapolis, MN 55447-4443

*[Name & address of person to whom
Notice to Consultant is to be given]*

XIX.
INDEPENDENT CONTRACTOR

The City is interested only in the results produced by this Agreement. Consultant has sole and exclusive charge and control of the manner and means of performance. Consultant shall perform as an independent contractor and it is expressly understood and agreed that Consultant is not an employee of the City and is not entitled to any benefits to which City employees are entitled, including, but not limited to, overtime, retirement benefits, workmen's compensation benefits, sick leave or and injury leave.

XX.
NEBRASKA LAW

This Agreement shall be construed and interpreted according to the laws of the State of Nebraska.

XXI.
INTEGRATION

This Agreement represents the entire agreement between the parties and all prior negotiations and representations are hereby expressly excluded from this Agreement.

XXII.
AMENDMENT

This Agreement may be amended or modified only in writing signed by both the City and Consultant.

XXIII.
SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would

become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

XXIV.

WAIVER OF CONTRACTUAL RIGHT

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

XXV.

AUDIT AND REVIEW

The Consultant shall be subject to audit pursuant to Chapter 4.66 of the Lincoln Municipal Code and shall make available to a contract auditor, as defined therein, copies of all financial and performance related records and materials germane to this Agreement, as allowed by law.

XXVI.

LIVING WAGE

If the compensation for services provided pursuant to this Agreement is equal to or exceeds \$25,000, this Agreement is subject to the Living Wage Ordinance of the Lincoln Municipal Code Chapter 2.81. The ordinance requires that, unless specific exemptions apply or a waiver is granted, Consultant shall provide payment of a minimum living wage to employees providing services pursuant to this Agreement. Under the provisions of the Lincoln Living Wage Ordinance, the City shall have authority to terminate this Agreement and to seek other remedies for violations of this Ordinance.

XXVII.

FEDERAL IMMIGRATION VERIFICATION

A. If the Consultant is a business entity or corporation, then in accordance with Neb. Rev. Stat. §§ 4-108 through 4-114, the Consultant agrees to register with and use a federal

immigration verification system, to determine the work eligibility status of new employees performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 USC 1324 a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986. The Consultant shall not discriminate against any employee or applicant for employment to be employed in the performance of this section pursuant to the requirements of state law and 8 U.S.C.A. 1324b. The Consultant shall require any subcontractor to comply with the provisions of this section. For information on the E-Verify Program, go to www.uscis.gov/everify.

B. If the Consultant is an individual or sole proprietor, the Consultant agrees to complete the United States Citizenship Attestation Form as provided by the City and attach it to the Agreement.

C. Public Benefits Eligibility Status Check. If the Consultant is agreeing to determine eligibility for and provide a public benefit as public benefit is defined under Neb. Rev. Stat. §§ 4-108 through 4-114, the Consultant agrees to have each applicant for public benefits attest that he or she is a U.S. citizen or qualified alien using the form attached. The Consultant agrees to register and use the SAVE Program as required under Neb. Rev. Stat. §§4-108 through 4-114. If the applicant indicates he or she is an alien, the Consultant shall verify the applicant's lawful presence in the United States as provided under the SAVE Program and retain all documentation and provide copies of such documentation at the City's request. For information on the SAVE program, go to www.uscis.gov/SAVE.

XXVIII.
REPRESENTATIONS

Each party hereby certifies, represents and warrants to the other party that the execution of this Agreement is duly authorized and constitutes a legal, valid and binding obligation of said party.

IN WITNESS WHEREOF, Consultant and the City do hereby execute this Agreement as of the Execution Date set forth above.


CITY OF LINCOLN, NEBRASKA

By: _____
Chris Beutler, Mayor of Lincoln

OR *Department Director if less than \$25,000*

Director: _____
Department: _____

CONSULTANT
SRF Consulting Group, Inc.

By: 
Title: President

FINANCIAL AND OPERATIONAL REVIEW OF STARTRAN: CONSULTANT TEAM WORK ELEMENTS

1. Project Administration

Prior to the first on-site visit, the team will review as much documentation as possible for both fixed route and paratransit service to advance discussion. All information is to be provided by the City. The most critical information is:

- Organization chart and staffing
- Personnel policies and procedures
- Job descriptions
- Absenteeism records-2010, 2011
- Grievance records-2010
- Driver and mechanic seniority rosters
- Latest driver assignment "pick"
- Labor agreement
- Route statistics--span, frequency, productivity, speeds, passengers--2009, 2010, 2011
- System map and individual route maps
- Fleet inventory with make, model, age, lifetime miles
- Maintenance plan
- NTD reports--2009, 2010
- Most recent FTA triennial audits
- Most recent financial audits
- Operating budget--2010, 2011
- Capital budget--2011
- Current Transit Development Plan (TDP)
- Fare reports by media type
- Sample of daily, weekly, and monthly internal reports
- Paratransit subcontractor contract
- Other operating agreement contracts as available(School District Booster service, UNL Big Red Express,etc)

Additional activities to be completed under project oversight include maintaining clear and on-going communication with the client through onsite visits, regular phone calls, emails, and monthly progress reports. The overall timeframe, task progress, and budget status will be regularly monitored by the team leader.

2. Performance Analysis Requirements

Financial Efficiency Review

To identify the areas within StarTran operations and management that are financially inefficient, we will conduct a statistical review of the financial and operating results of StarTran. This will include both an

analysis of trends and an assessment of performance compared to a peer group of transit agencies that have the same general characteristics as StarTran.

The following measures of efficiency and effectiveness will be examined as a means of identifying the strengths and weaknesses of the system's performance. We will conduct similar analysis for a set of peer group systems, starting with the peer systems used in the current Transit Development Plan, and compare the values for those systems to the results of StarTran.

- operating expense per mile
- operating expense per hour
- operating expense per passenger
- operating expense per capita
- average fare
- farebox recovery
- riders per capita
- subsidy per capita
- trip length
- riders per mile
- riders per hour
- speed
- total miles per vehicle
- revenue miles per total miles
- revenue hours per total hours
- revenue miles per route mile
- revenue miles per square mile
- route miles per square mile
- persons per square mile
- revenue miles per capita
- span of service
- revenue hours per employee
- operations employees per total employees
- maintenance employees per total employees
- administrative employees per total employees
- peak vehicle requirement
- spare ratio
- average fleet age
- gallons of fuel per mile
- maintenance expense per vehicle mile

- maintenance expense over total operating expense

Identification of Cost Savings

The identification of possible internal management cost saving opportunities will be derived from the review of the organization and structure. The assessment of the effectiveness of the StarTran services will come from review of internal StarTran information.

Identification of cost savings related to service changes will require review of the current service standards and policies, the current method for allocating costs to each route, the scheduling policies, fare policies, service planning and service analysis practices, and service marketing.

The assessment of potential cost savings from equipment changes will require a review of the current rolling stock to determine the impact of the vehicle types on maintenance costs, and the appropriateness of the vehicle capacity related to the load factors at StarTran.

Detailed Paratransit Review

This assessment will start with developing an overall familiarity with the services, the organization, and staffing of the system, the condition and appearance of the equipment, the maintenance and servicing of the passenger vehicles, the division of labor between the StarTran staff and the contract operator, the process of establishing and enforcing eligibility, fare collection, and the method of overseeing the performance of the contact service provider. We will review the paratransit and brokerage operating policies and procedures to look for opportunities to improve performance, reduce waste, and apply best practices.

The team will determine how closely the service adheres to established policies and procedures. We will pay particular attention to how the contractor reserves and schedules service.

We will conduct a demand analysis by day of week and hour of the day to determine how effectively vehicle and driver resources are allocated to meet demand. We will look at how demand for each program conflicts or complements the other with the goal of determining if service can be modified. Original driver trip manifests will be used to construct a profile of service. We will investigate the impact of no-shows and cancellation of service and impediments to on-time operation. This analysis will provide information necessary to recommending process and procedural changes for short-term and long-term cost control.

Fare Structure

The review of StarTran's fare structure will include an evaluation of the following elements:

- The complexity or simplicity of the fare structure
- The extent to which it attempts to attract new riders from specific market segments
- The overall revenue production

Alternative Revenue Sources

We will identify possible external revenue sources available to StarTran and evaluate the potential yield and the feasibility of accessing such sources. These will include both public sources and other non-operating revenues that might be possible to develop in the Lincoln environment. Non-operating revenues from other sources raised by transit systems themselves include advertising revenue, lease revenue, equipment rental, interagency contracting, charter operations, and driver training.

3. Evaluate Marketing Program

We will review the current StarTran Marketing Plan with those who prepared the plan. These discussions

will include determining the motivation for the plan, the basic policies under which it was prepared, the objective of the plan, and the support for and reactions to its recommendations

We will also review the current marketing program of StarTran and evaluate the policies it is attempting to fulfill, the quality and comprehensiveness of the materials and distribution methods, the means it uses to determine its marketing priorities, and the use of such techniques as audience and media sharing and media selection.

We will evaluate the current marketing program to identify the advantages and disadvantages of outsourcing the entire effort and potentially eliminating the current marketing staff position.

4. Determine if StarTran is serving its Clients Effectively

We will conduct:

- An evaluation of the service planning and analysis process
- An assessment of the apparent adequacy of ridership data collection and analysis, including the processes for farebox data collection and review, identifying ridership trends and identifying service that is below standard
- A review of recent customer and community surveys
- A broad assessment of the route coverage map compared to the overall development patterns of the City
- A review of ridership by route, time of day, day of the week
- An assessment of the levels of service to the major origins and destinations in the City
- A review of the requests for service from the past year
- A review of complaints about the service for the past year.

Based on these activities, we will develop recommendations for improving the collection and analysis of client data as well as changes in the overall service planning and on-going analysis process at StarTran.

5. Review StarTran's Current Management & Organization Structure

This analysis will include reviews of:

- The legal basis of StarTran
- The assignment of responsibilities to StarTran, and the means of oversight and reporting
- The reporting relationship between StarTran and the City, and the extent to which StarTran management can act independently or is under the direction and control of the City
- The policy and financial relationship between StarTran and the City
- The internal organization and staffing of StarTran
- The extent and quality of the administrative support of StarTran that is provided by the City in such functions as accounting, payroll, procurement and stores, facility maintenance, legal counsel, personnel and human resources, recruitment and employee selection, and similar functions
- The specific duties of the StarTran manager, the nature and extent of the responsibilities of the manager, and the degree of independence the manager has in the performance of his duties
- The frequency and quality of the interactions between StarTran management and the managers of the policy, general management, and support functions of the City in their performance of their support of StarTran
- From these reviews we will identify opportunities to improve the overall management structure to

enhance the organization functionality

6. Review the Option of Implementing an Appropriate Transit Authority Model

In this task we will evaluate the option of creating a transit authority to operate StarTran services.

The first step in this task will be to conduct a brief review of the Nebraska statutes and city ordinances relating to transit organizations and governance to determine whether there is any authorization for creating such an agency under state law, and to understand the statutory basis on which the current organization was founded.

The second step is to determine local interest and the basis on which this task was included in the scope of services. We will determine the objectives of the City in pursuing this option and the conditions that the option would have to meet to be satisfactory to the City.

The third step is to develop a matrix illustrating the options available for creating an authority, including such characteristics as:

- City only or regional jurisdiction
- General powers and duties
- Funding options, including taxing power and funding through local appropriations
- Governance, including membership of the Directors
- Direct or contract operations (e.g., the Massachusetts transit authorities other than Boston must contract with private carriers for service)
- Organizational relationship with the City of Lincoln, including possible shared administrative functions and operating facilities
- Status of current management, administrative, operating, and maintenance personnel
- Ownership of existing assets
- Disposition of liabilities such as accident claims, sick leave, vacations, and pensions

We will describe the strengths and weaknesses of different approaches and recommend the option that best suits the objectives of the City and fit under Nebraska statutes.

7. Evaluate Considerations in Making StarTran Fully or Partially Private

There is a continuum of possibilities among the various kinds of privatization of public transit. The major options are:

1. Complete private ownership and operation with no subsidy or City role
2. Private ownership and operation under City certificate of necessity, with City service standards and City and other subsidies
3. City ownership and policy making, but with some or all functions contracted out private employment for all employees
4. City ownership, policies, employment, and subsidy, with a small senior management team and corporate support from a private management company.

The evaluation of the options of making StarTran fully or partially private will include a review of both the policy and technical issues related to such a conversion. The first step will be to determine the views of the officials in the City who have been advocating this approach and the extent to which the administration as a whole sees it as an advisable objective. We will review the current collective bargaining agreement and determine whether there is a “no-contracting clause” or similar provision that might prohibit or have an impact on the costs of any privatization.

We will describe the strengths and weaknesses of the options, and provide a recommendation for a course of action by the City, or the Authority if that option is recommended.

8. Additional Requirements

This task consists of a collection of issues requiring analysis.

Outsource All of StarTran's Marketing & Eliminate the Marketing Position

In this task, we will:

- Review the current activities of the marketing person at StarTran
- Develop an understanding of the local marketing and advertising business and the likelihood of replacing the current services for less than the current cost of the existing position
- Determine the apparent level of interest of outside firms to compete to provide such a service, by requesting letters of qualifications and interest from firms that provide such services in the Lincoln market

Reduce Saturday Services

The objective of this task will be to determine the net costs of Saturday service and what the costs savings of eliminating or reducing the service would be. We will:

- Determine the revenues and allocated costs of the service and identify the number of work hours of personnel other than the bus operators who are on duty on Saturdays who would not be necessary if the service was terminated
- Review the levels of ridership and service on each route and the ridership levels on each route to determine the level of impacts on the community

Reset Bus Fares

We will review the recent history of fare changes at StarTran to estimate the price elasticity. Among the options for resetting the fares that might be considered:

- Simplifying the fare structure to reduce those complications that may be a deterrent to system use
- A new fare structure aimed at increasing revenues
- A new fare structure aimed at increasing ridership
- Expansion of the employer paid fares and other mechanisms to increase revenues and ridership

We will develop a simplified means of estimating the impact of fare changes on ridership by using the average current fare and applying any percentage fare increase to the average fare and applying the proposed rate of increase in the base fare to the average fare and then applying that new average fare to the current ridership.

Evaluate Administrative Staff Cuts

The first step will be to define administrative staff and distinguish among those who are City employees who support StarTran, StarTran administrative staff, and staff in the maintenance and transportation departments who perform administrative duties such as dispatchers, clerks, and parts room staff. In general, we will define administrative staff as anyone who is not a driver or a maintenance staff person.

This work will include the identification of the work assigned to each person and determine how essential that role is to the operation of the system. We will review the position descriptions and ask the staff members to complete a brief job content analysis to gain their insights into the work that they do and the contribution to the organization as a whole.

Evaluate Elimination of One Bus Route

To determine the potential savings that might result from the elimination of the South Pointe route or other routes that might be considered, we will include:

- The development of the fully allocated cost of that route
- An estimate of the impact on current riders
- An estimate of the loss of revenue from that route
- An evaluation of the transit potential of the route and the extent to which it is being fully marketed
- The rate of transfers from the South Pointe route to other routes

Do Not Provide Bus Service to New Development Areas to Save Money

To estimate the costs of services that have been implemented recently, we will identify the services that have been initiated in the past five years and estimate the additional hours and miles of operation of each route or route extension. Using the cost models developed on other tasks we will estimate the incremental costs of those services.

9. Deliverables

The analysis tasks will be documented through project memorandums detailing the methodology, analysis and findings of each study effort. Draft products will be shared with the City for review and approval prior to finalization.

Upon completion of the analysis tasks, a detailed Final Study Report will be prepared summarizing the entire analysis project. The draft will be presented to the City and finalized following review. Ten copies of the Final Study Report will be delivered in paper form and one copy will be delivered in MS Word and Adobe Acrobat format.

CLIENT: CITY OF LINCOLN, NEBRASKA

CONSULTANT: SRF CONSULTING GROUP, INC.
SUBCONSULTANT: BOB BOURNE
MARITA WELLAGE-REILEY
JACK DOOLITTLE

PROJECT: FINANCIAL AND OPERATIONAL ANALYSIS OF TRANSIT

P11364

***** ESTIMATED PERSON-HOURS *****

TASK NO.	WORK TASK DESCRIPTION	Principal	Associate	Sr. Prof.	Bob Bourne	Jack Doolittle	Marita Wellage-Reiley	TOTALS	ESTIMATED FEE
1.0	PROJECT INITIATION AND OVERSIGHT - Meetings - Reports	50	10	30	20	20	10	140	\$19,240
2.0	PERFORMANCE ANALYSIS - Fixed Route - Paratransit - Peers	12	16	40	80	60	96	304	\$35,048
3.0	MARKET RESEARCH ANALYSIS	12	8	0	0	0	0	20	\$3,260
4.0	CLIENT DATA REVIEW	4	8	0	0	0	4	16	\$2,152
5.0	MANAGEMENT STRUCTURE	8	0	10	20	30	2	70	\$8,798
6.0	TRANSIT AUTHORITY MODEL	4	4	0	0	16	0	24	\$3,248
7.0	PRIVATIZATION OPTION	4	4	0	0	16	0	24	\$3,248
8.0	ADDITIONAL ELEMENTS ANALYSIS	40	20	40	30	8	8	146	\$18,890

CLIENT: CITY OF LINCOLN, NEBRASKA

CONSULTANT: SRF CONSULTING GROUP, INC.
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PROJECT: FINANCIAL AND OPERATIONAL ANALYSIS OF TRANSIT

MARITA WELLAGE-REILEY
JACK DOOLITTLE

P11364

***** ESTIMATED PERSON-HOURS *****

TASK NO.	WORK TASK DESCRIPTION	Principal	Associate	Sr. Prof.	Bob Bourne	Jack Doolittle	Marita Wellage-Reiley	TOTALS	ESTIMATED FEE
	TOTAL ESTIMATED PERSON-HOURS	134	70	120	150	150	120	744	
	AVERAGE HOURLY BILLING RATES	\$191	\$121	\$81	\$125	\$125	\$105		
	ESTIMATED LABOR AND OVERHEAD	\$25,594	\$8,470	\$9,720	\$18,750	\$18,750	\$12,600		\$93,884
	ESTIMATED DIRECT NON-SALARY EXPENSES								\$11,100
	TOTAL ESTIMATED FEE								\$104,984

ESTIMATE OF DIRECT NON-SALARY EXPENSES:

SRF CONSULTING GROUP, INC.

BOURNE

DOOLITTLE

WELLAGE-REILEY

SUBCONSULTANTS: (included above)

ESTIMATED DIRECT NON-SALARY EXPENSES

3	Trips @	\$1,000	\$3,000
2	Trips @	\$1,000	\$2,000
3	Trips @	\$1,500	\$4,500
2	Trips @	\$800	\$1,600
			\$0
			\$11,100



CERTIFICATE OF LIABILITY INSURANCE

OP ID: 1S

DATE (MM/DD/YYYY)

07/21/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RJF Agencies, Inc. Minneapolis 7225 Northland Dr N #300 Minneapolis, MN 55428 Todd Ellingson		763-746-8000		CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL: ADDRESS: PRODUCER CUSTOMER ID # SRFCO-1	
INSURED SRF Consulting Group, Inc. One Carlson Parkway, #150 Minneapolis, MN 55447				INSURER(S) AFFORDING COVERAGE INSURER A: Allied Group Insurance NAIC # 19100 INSURER B: Accident Fund Insurance NAIC # 10166 INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY	X		ACBPBOD7105089775	06/30/11	06/30/12	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> Stop Gap - ND						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY			ACBPAPD7105089775-MN ACPBAA7105089775-ND	06/30/11	06/30/12	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS			\$			
	<input type="checkbox"/> NON-OWNED AUTOS			\$			
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			ACPCAA7105089775	06/30/11	06/30/12	EACH OCCURRENCE \$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 5,000,000
	<input type="checkbox"/> DEDUCTIBLE						\$
	<input checked="" type="checkbox"/> RETENTION \$						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	N/A	WCV6075296	06/30/11	06/30/12	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 500,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Project: Bid No. 11-100 StarTran Review

City of Lincoln is an Additional Insured with respect to General Liability when required by written contract or agreement. Umbrella follows form

City of Lincoln will receive 30 days notice of cancellation.

CERTIFICATE HOLDER**CANCELLATION**

CLINCOL

City of Lincoln
555 S 10th St.
Lincoln, NE 68508

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ACORD**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

07/21/2011

PRODUCER 952.893.1933 FAX 952.893.1819
H. Robert Anderson & Assoc., Inc.
4600 West 77th Street
Suite 105
Edina, MN 55435

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED SRF Consulting Group, Inc.
One Carlson Parkway North
Suite 150
Minneapolis, MN 55447

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: XL Specialty Insurance Co.

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
						MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
						PRODUCTS - COMP/OP AGG	\$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
		EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS	OTH-ER
						E L EACH ACCIDENT	\$
						E L DISEASE - EA EMPLOYEE	\$
						E L DISEASE - POLICY LIMIT	\$
A		OTHER Professional Liability	DPR9691494	07/01/2011	07/01/2012	Each Claim/	\$5,000,000
						Annual Aggregate	\$10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Project: Bid No. 11-100 StarTran Review.

This certificate or memorandum of insurance does not affirmatively or negatively amend, extend, or alter the coverage afforded by the insurance policy.

*10 days notice for cancellation if reason is for non-payment of premium.

CERTIFICATE HOLDER

CANCELLATION

City of Lincoln
555 South 10th Street
Lincoln, NE 68508

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

